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STAFF MEMORANDUM

ON

FISCAL ANALYSIS OF THE MUTUAL SECURITY PROGRAM

FOR

FISCAL YEAR 1958

JUNE 26, 1957

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FISCAL ANALYSIS OF THE MUTUAL SECURITY PROGRAM FOR FISCAL YEAR 1958

JUNE 26, 1957.

Memorandum
To: Hon. Thomas S. Gordon, Chairman.
From: Albert C. F. Westphal, Staff Consultant.

Attached hereto is a fiscal analysis of the mutual security program for fiscal year 1958, including appropriations made for the program in fiscal year 1957.

Fiscal analysis of mutual security program for fiscal year 1958

	Fiscal year 1957 appropriation	Fiscal year 1958 authorization request	Fiscal year 1958 appropriation request	Senate bill
Title I—Mutual defense assistance:				
Ch. 1—Military assistance (sec. 103 (a))	$2,017,500,000	[1]	$1,900,000,000	[2]
Ch. 3—Defense support (sec. 131 (b))	1,161,700,000	[1]	900,000,000	[3]
Total, title I	3,179,200,000		2,800,000,000	[4]
Title II—Development loan fund (sec. 203 (a))	[5] 250,000,000	[6]	500,000,000	[6]
Title III—Technical cooperation:				
Bilateral (sec. 304)	135,000,000	[1]	151,900,000	$151,900,000
Multilateral (sec. 306):				
(a) U. N. expanded program	15,500,000	$15,500,000	15,500,000	15,500,000
(b) Organization of American States	1,500,000	1,500,000	1,500,000	1,500,000
Total, title III	152,000,000		168,900,000	168,900,000
Title IV—Other programs:				
Sec. 400 (a) Special assistance		300,000,000	300,000,000	250,000,000
Sec. 400 (b): Latin American economic development				25,000,000
Sec. 401 (b): Special Presidential fund	100,000,000			
Sec. 403: Joint control areas	12,200,000	11,500,000	11,500,000	11,500,000
Sec. 405: Migrants, refugees, escapees:				
(a) Intergovernmental Committee for European Migration	12,500,000	[7]	12,500,000	[7]
(c) U. N. Refugee Fund	1,900,000	2,233,000	2,233,000	2,233,000
(d) Escapee program	6,000,000	5,500,000	5,500,000	5,500,000
Sec. 406: Children's Fund	10,000,000	11,000,000	11,000,000	11,000,000
Sec. 408: North Atlantic Treaty Organization	[8]	[8]	2,700,000	[8]
Sec. 409 (c): Ocean freight charges	2,500,000	2,200,000	2,200,000	2,200,000
Sec. 410: Control Act expenses	1,175,000	1,300,000	1,300,000	1,000,000
Sec. 411 (b): Administrative expenses	33,595,000	35,000,000	35,000,000	33,000,000
Sec. 411 (d): State Department administrative expenses	[9]	[9]	[9] 4,577,000	[9]
Atomic program:				
Sec. 12 (a) (of MSA, 1956)	5,500,000			
Sec. 419 (to be added to MSA, 1954)		7,000,000	7,000,000	7,000,000
Total, title IV	185,370,000	375,733,000	395,510,000	348,433,000
Total	[10] 3,766,570,000	[11]	3,864,410,000	3,617,333,000

[1] Continuing authorization requested.
[2] 2-year authorization: Fiscal year 1958, $1,800,000,000; fiscal year 1959, $1,500,000,000.
[3] 2-year authorization: Fiscal year 1958, $800,000,000; fiscal year 1959, $710,000,000.
[4] $2,600,000,000 for fiscal year 1958.
[5] Title II in fiscal year 1957 was called development assistance.
[6] $500,000,000 in fiscal year 1958; borrowing authority of $750,000,000 in each of fiscal years 1959 and 1960.
[7] Continuing authorization is already in law.
[8] This is a continuing authorization. Funds for this item for fiscal years 1957 and 1958 are carried in the Department of State appropriation. The $2,700,000 appropriation request for fiscal year 1958 represents the United States contribution to the construction of NATO civilian headquarters building.
[9] Funds for State Department administrative expenses for fiscal year 1957 are included in the $33,595,000 appropriation made for sec. 411 (b). Pursuant to authority in sec. 411 (c) $1,150,000 was transferred from "Development assistance" to "Administrative expenses" to cover the cost of administering programs under Public Law 480. Thus the total administrative expenses for fiscal year 1957 is $34,745,000. The comparable administrative costs for fiscal year 1958 are the total of sec. 411 (b) and (d) or $39,577,000.
[10] In addition Congress appropriated a carryover of $195,500,000 for military assistance and $45,300,000 for United Nations Relief and Works Agency, total $240,800,000. Thus the money available for fiscal year 1957 is $4,007,370,000.
[11] The administration authorization request for continuing authorization for military assistance, defense support, and technical cooperation does not permit the calculation of an authorization request sum for fiscal year 1958.

NOTE.—The Senate *authorization* bill reduced the administration *appropriation* request by $247,077,000. The difference is as follows:

Military assistance	−$100,000,000
Defense support	−100,000,000
Special assistance	−50,000,000
Control Act expenses	−300,000
Administrative expenses	−2,000,000
Other appropriations requested and already authorized in law:	
Intergovernmental Committee for European Migration	−12,500,000
North Atlantic Treaty Organization	−2,700,000
State Department administrative expenses	−4,577,000
	−272,077,000
Latin American economic development	+25,000,000
Total	−247,077,000

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